
By: **Delegates Love, Taylor, Boschert, D'Amato, Rosso, Rzepkowski, and Sophocleus**

Introduced and read first time: February 9, 2001

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - U.S. Government Employees' Foreign Earned Income**

3 FOR the purpose of providing a subtraction modification under the Maryland income
4 tax for certain foreign earned income of employees of the United States or an
5 agency of the United States; defining a certain term; providing for the
6 application of this Act; and generally relating to an income tax subtraction
7 modification for certain foreign earned income of an individual earned as an
8 employee of the United States or an agency of the United States.

9 BY repealing and reenacting, without amendments,
10 Article - Tax - General
11 Section 10-207(a)
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2000 Supplement)

14 BY adding to
15 Article - Tax - General
16 Section 10-207(v)
17 Annotated Code of Maryland
18 (1997 Replacement Volume and 2000 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Tax - General**

22 10-207.

23 (a) To the extent included in federal adjusted gross income, the amounts under
24 this section are subtracted from the federal adjusted gross income of a resident to
25 determine Maryland adjusted gross income.

26 (V) (1) IN THIS SUBSECTION:

1 (I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS PARAGRAPH,
2 "FOREIGN EARNED INCOME" MEANS FOREIGN EARNED INCOME WITHIN THE
3 MEANING OF § 911(B)(1) OF THE INTERNAL REVENUE CODE, SUBJECT TO THE
4 LIMITATION UNDER § 911(B)(2) OF THE INTERNAL REVENUE CODE; AND

5 (II) "FOREIGN EARNED INCOME" INCLUDES AMOUNTS PAID BY THE
6 UNITED STATES OR AN AGENCY OF THE UNITED STATES TO AN EMPLOYEE OF THE
7 UNITED STATES OR OF AN AGENCY OF THE UNITED STATES.

8 (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
9 INCLUDES THE FOREIGN EARNED INCOME OF AN INDIVIDUAL EARNED AS AN
10 EMPLOYEE OF THE UNITED STATES OR AN AGENCY OF THE UNITED STATES.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 July 1, 2001, and shall be applicable to all taxable years beginning after December 31,
13 2000.